

SCOTT M. MATHESON
Governor

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

CLEON B. FEIGHT
Director



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

OIL, GAS, AND MINING BOARD

CHARLES R. HENDERSON
Chairman

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ACT/045/017

M E M O R A N D U M

TO: Board of Oil, Gas and Mining

FROM: Thomas N. Tetting, Engineering Geologist *TNT*

SUBJECT: Getty Mineral Resource Company's Mercur Canyon Project

DATE: June 15, 1981

Please find attached a copy of GMRC's financial statement submitted to me June 9, 1981. They are asking to be the sole responsible agent held for a reclamation contract estimated to be in excess of \$1.1 million, inflation accounted.

Also, please find attached a copy of our contract form and their attorney's notations. They have asked me to pass these on to you for review prior to the June hearing in hopes that matters will be expedited. A completed, signed agreement at the outcome is their intention and if any changes need to be attended to beforehand, they would like to be informed, either directly or via myself as intermediary.

If any questions are encountered during your review, please contact me.

Attachments

cc: Jim Smith

TNT/btm

This balance sheet is unaudited. It was prepared from our books and records at December 31, 1980.

George J. Batavick
George J. Batavick
Manager, Operations
Accounting

GETTY MINERALS RESOURCES COMPANY

BALANCE SHEET

DECEMBER 31, 1980

(In Thousands)

ASSETS

Current Assets

Cash	\$ 17
Accounts Receivable	<u>35</u>

Total Current Assets	52
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Advances, Investment, and Deferred Mining Costs	57,609
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Property and Equipment at cost, less accumulated depreciation and amortization	<u>35,292</u>
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Total Assets	<u><u>\$92,953</u></u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

Accounts Payable	\$1,277
Accrued Liabilities	<u>4,194</u>

Total Current Liabilities	5,471
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Advances from Parent and Intercompany Accounts Payable	87,603
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Other Long Term Liabilities	4,472
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Stockholder's Equity	10
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Common Stock	
Capital Surplus - Beginning of the year	\$1,171
- Contributions during year	<u>4,350</u>
	5,521
Accumulated Deficit	<u>(10,124)</u>

Total Liabilities and Stockholder's Equity	<u><u>\$92,953</u></u>
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Prepared without audit or review by independent auditors.

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

MINED LANDS RECLAMATION CONTRACT

THIS CONTRACT, made and entered into this _____ day of _____, 19____, between Getty Mineral Resources Company a corporation duly authorized and existing under and by virtue of the laws of State of Delaware _____ as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the _____ tenth _____ day of _____ March 19 81, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953:

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff by the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

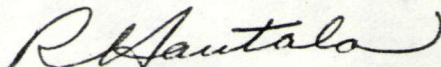
WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capabilities of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

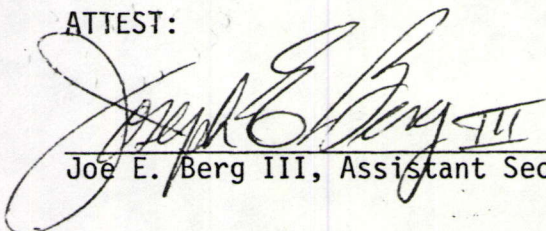
1. The Operator promises to reclaim the land affected in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Board, in lieu of the posting of a bond or other surety, accepts the personal guarantee of the Operator to reclaim the land affected.
3. The Board and the Operator both agree that the Operator will not be obligated to expend a sum in excess of 1,170,779 dollars on the said reclamation work.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this _____ day of _____, 19____.

GETTY MINERAL RESOURCES COMPANY

BY: 
Robert L. Hautala, Vice President

ATTEST:


Joe E. Berg III, Assistant Secretary

BOARD OF OIL, GAS, AND MINING

BY: _____
Chairman